

## **BILL ANALYSIS**

Senate Research Center

S.B. 370  
By: Armbrister  
International Relations Trade & Technology  
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Enrolled

### **DIGEST**

In 1991, the Texas Department of Transportation (department) was created by the 72nd Legislature, as a result of the consolidation of the State Department of Highways and Public Transportation with the Texas Department of Aviation and the Texas Motor Vehicle Commission. The legislature also declared its intention to merge the Texas Turnpike Authority (TTA) with the department in 1997. Both the department and TTA are subject to the Sunset Act and will be abolished September 1, 1997 unless continued by the legislature. As a result of its review of these agencies, the Sunset Advisory Commission recommends continuing the department, consolidating the function of TTA within the department as a separate independent division, authorizing the creation of a regional turnpike authority, as well as several statutory modifications that are contained in this legislation.

### **PURPOSE**

As enrolled, S.B. 370 continues the Texas Department of Transportation for a 12-year period, consolidates Texas Turnpike Authority within the department, and makes statutory modifications recommended by the Sunset Advisory Commission.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Texas Transportation Commission in SECTION 1.15 (Section 201.934, Transportation Code), SECTION 1.16 (Section 202.060, Transportation Code), SECTION 1.20 (Section 202.097, Transportation Code), SECTION 1.20 (Section 222.097, Transportation Code), SECTION 1.24 (Section 224.156, Transportation Code), and SECTION 1.24 (Section 224.159, Transportation Code), SECTION 2.01 (Sections 391.097 and 391.098, Transportation Code), SECTION 7.24 (Sections 366.031 and 366.035(e), Transportation Code), to the Texas Department of Transportation in SECTION 1.21 (Section 222.077(d), Transportation Code), SECTION 4.06 (Sections 8(c) and (f), Article 6675c, V.T.C.S.), SECTION 4.11 (Section 6, Article 6675c-2, V.T.C.S.), SECTION 5.01 (Section 1.02(c), Article 6687-1a, V.T.C.S.), SECTION 6.01 (Section 4(d), Article 6687-9a, V.T.C.S.) SECTION 7.16 (Section 361.189, Transportation Code), SECTION 7.23 (Section 362.0041(c), Transportation Code); to the Regional Toll Authorities in SECTION 7.24 (Sections 366.033(a), (b) and (j), 366.035(f), and 366.171(a), Transportation Code); to the Texas Turnpike Authority division of the Texas Department of Transportation in SECTION 7.08 (Section 361.042, Transportation Code); to the Texas Motor Vehicle Commission in SECTION 3.09 (Section 4.01B(a), Article 4413(36), V.T.C.S.); and to the Texas Department of Transportation, the Department of Public Safety, and the Texas Department of Insurance in SECTION 4.11 (Section 2, Article 6675c-2, V.T.C.S.), of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1.01. Amends Section 201.204, Transportation Code, to abolish the Texas Department of Transportation (department) September 1, 2009, unless it is continued in existence.

SECTION 1.02. Amends Section 201.051(d), Transportation Code, to prohibit appointment as a Transportation Commission member if the person or the person's spouse is registered, certified, or licensed by the department.

SECTION 1.03. Amends Section 201.057(c), Transportation Code, to add standard language developed by the Sunset Commission regarding grounds for commission member removal.

SECTION 1.04. Amends Chapter 201B, Transportation Code, by adding Section 201.059, to add standard language developed by the Sunset Commission regarding training. Requires a person appointed to the Texas Transportation Commission (commission) to complete at least one course of training to be eligible to take office. Sets forth requirements of the training course. Authorizes a person to be reimbursed for traveling expenses involved incurred in attending the training program.

SECTION 1.05. Amends Section 201.102, Transportation Code, to update standard language developed by the Sunset Commission requiring the commission to separate its policy-making responsibilities from the management responsibilities of the director and staff of the department.

SECTION 1.06. Amends Section 201.107(b), Transportation Code, to update standard language developed by the Sunset Commission requiring the commission to prepare an annual financial report that meets the reporting requirements in the General Appropriations Act.

SECTION 1.07. Amends Sections 201.203, Transportation Code, as follows:

Sec. 201.203. New heading: DEPARTMENT OFFICE. Requires the department to have its statewide headquarters office in Austin. Deletes a provision requiring the department to keep all of its records in that office.

SECTION 1.08. Amends Chapter 201D, Transportation Code, by adding Section 201.206, as follows:

Sec.201.206. DONATIONS AND CONTRIBUTIONS. Authorizes the department to accept, from any source, a donation or contribution in any form, including realty, personalty, money, materials, or services, for the purpose of carrying out its functions and duties.

SECTION 1.09. Amends Sections 201.402 (a) and (b), Transportation Code, to update standard language developed by the Sunset Commission requiring a director or a designee to develop an equal employment policy that is annually updated, reviewed by the Texas Commission on Human Rights, and filed with the governor's office.

SECTION 1.10. Amends Sections 201.404(a) and (b), Transportation Code, to require the director or the director's designee to develop an intra-agency career ladder program that addresses opportunities for mobility and advancement for employees in the department. Deletes a provision requiring a program covering all full-time classified and exempt positions to be developed. Requires the program to require intra-agency posting of all positions, rather than nonentry positions. Requires the director or the director's designee to develop a system of annual performance evaluations that are based on documented employee performance.

SECTION 1.11. Amends Chapter 201I, Transportation Code, by adding Section 201.705, as follows:

Sec. 201.705. PILOT PROJECT ON VEHICLE MAINTENANCE OUTSOURCING. Requires the department to conduct a two-year pilot project to determine whether contracting with a private entity for maintenance and repair services of all department vehicles would be cost-effective. Requires the study to be implemented in at least three of the department's districts. Requires the department to assist counties with materials to repair county roads that are damaged as a result of legally permitted overweight truck traffic, from any cost savings resulting from the pilot project and from funds appropriated. Sets forth the requirements of the department. Requires the department to submit a report to the legislature on the results of the pilot program and any recommendations on the continuation of expansion or the pilot program by January 1, 2001. Provides that this section expires January 1, 2001.

SECTION 1.12. Amends Section 201.801, Transportation Code, by amending Subsection (c) and adding Subsection (e), to update standard language developed by the Sunset Commission regarding complaints filed with the department.

SECTION 1.13. Amends Section 201.802, Transportation Code, by amending Subsection (b) and

adding Subsection (c), to update standard language developed by the Sunset Commission requiring the director to prepare and maintain a written plan in a certain manner and to require the department to comply with certain applicable laws.

SECTION 1.14. Amends Chapter 201K, Transportation Code, by adding Section 201.905, as follows:

Sec. 201.905. MULTIMODAL ROAD USE. Requires the department to conduct a comprehensive analysis of the multimodal use of roads and highways in the state highway system. Sets forth the requirements of the analysis. Sets forth requirements for the department to initiate a campaign to increase public awareness of traffic safety issues.

SECTION 1.15. Amends Chapter 201, Transportation Code, by adding Subchapter L, as follows:

#### SUBCHAPTER L. ELECTRONIC ISSUANCE OF LICENSES

Sec. 201.931. DEFINITIONS. Defines "digital signature" and "license."

Sec. 201.932. APPLICATION FOR AND ISSUANCE OF LICENSE. Authorizes the commission by rule to provide for the filing of a license application and the issuance of a license by electronic means. Authorizes the commission to limit applicant eligibility under Subsection (a) if the rules include reasonable eligibility criteria.

Sec. 201.933. DIGITAL SIGNATURE. Provides that a license application received by the department is considered signed if a digital signature is transmitted with the application and intended by the applicant to authenticate the license in accordance with Subsection (b). Authorizes the department to only accept a digital signature used to authenticate a license application under certain procedures.

Sec. 201.934. PAYMENT OF FEES. Authorizes the commission to adopt rules regarding the method of payment of a fee for a license issued under this subchapter. Provides that the rules may authorize the use of electronic funds transfer or a valid credit card issued by a financial institution chartered by a state or the federal government or by a nationally recognized credit organization approved by the department. Provides that the rules may require the payment of a discount or service charge for a credit card payment in addition to the fee.

SECTION 1.16. Amends Chapter 202C, Transportation Code, by adding Section 202.060, as follows:

Sec. 202.060. LIVING LOGOS; PILOT PROJECT. Authorizes the commission to adopt rules implementing a pilot project for the leasing of state highway right-of-way, subject to any applicable federal regulation of outdoor advertising, as a location or locations for commercial advertising by means of a floral mosaic living logo. Sets forth requirements of rules adopted under this section. Prohibits a floral mosaic living logo from containing a message, symbol, or trademark that resembles an official traffic-control device. Provides that this section applies to state highway right-of-way in a county with a population of 500,000 or more.

SECTION 1.17. Amends Chapter 222B, Transportation Code, by adding Section 222.034, as follows:

Sec. 222.034. DISTRIBUTION OF FEDERAL FUNDS. Requires federal aid for transportation purposes that is administered by the commission to be distributed to the various parts of the state for a funding cycle through the selection of highway projects in the state in a manner that is consistent with federal formulas that determine the amount of federal aid for transportation purposes received by the state. Provides that a distribution under this subsection does not include deductions made for the state infrastructure bank or other federal funds reallocated by the federal government. Authorizes the commission to vary from the

distribution procedure provided by Subsection (a) if it issues a ruling or minute order identifying the variance and providing a particular justification for the variance.

SECTION 1.18. Amends Chapter 222C, Transportation Code, by adding Section 222.053, as follows:

Sec. 222.053. RELIEF FROM LOCAL MATCHING FUNDS REQUIREMENT. Defines "economically disadvantaged county." Authorizes the commission to require, request, or accept from a political subdivision, certain local incentives to make the most efficient use of its highway funding, except as provided by Subsection (c). Sets forth the responsibilities of the commission in evaluating a proposal to construct, maintain, or extend a highway or for another type of highway project in a political subdivision that consists of all or a portion of an economically disadvantaged county. Authorizes the commission to use its in-kind resources to help satisfy a federal requirement, in making an adjustment under Subsection (c)(2). Requires the commission to report annually to certain persons on the use of matching funds and local incentives and the ability of the commission to ensure that political subdivisions located in economically disadvantaged counties have equal ability to compete for highway funding with political subdivisions in counties that are not economically disadvantaged.

SECTION 1.19. Amends Section 202.052(c), Transportation Code, to require the department to charge not less than fair market value for the highway asset, payable in cash, services, tangible or intangible property, or any combination of cash, services, or property.

SECTION 1.20. Amends Chapter 202, Transportation Code, by adding Subchapter E, as follows:

#### SUBCHAPTER E. TELECOMMUNICATIONS FACILITIES

Sec. 202.091. DEFINITION. Defines "telecommunications."

Sec. 202.092. USE OF DEPARTMENT FACILITIES. Prohibits a telecommunications provider from placing or maintaining its facilities or otherwise use improvements constructed or installed by the state as components of the state highway system, except by a lease under Section 202.052 or an agreement under Section 202.093, notwithstanding any other law.

Sec. 202.093. AGREEMENT. Authorizes the department to enter into an agreement with a telecommunications provider that allows the provider to place certain communications equipment on state highways for the provider's commercial purposes. Authorizes an agreement entered into under Subsection (a) to provide for compensation between the department and the telecommunications provider in the form of cash or the shared-use of facilities.

Sec. 202.094. COMPETITIVE SEALED PROPOSAL. Requires the department to follow a procedure using competitive sealed proposals, before entering into an agreement with a telecommunications provider under this subchapter. Requires the department to solicit proposals by a request for proposals and to publish notice of the request in at least two newspapers of general circulation and in the Texas Register. Requires the proposals to be opened to avoid disclosure of contents to competing offerors during the process of negotiation. Requires all proposals that have been submitted to be open for public inspection subject to Chapter 552C, Government Code. Authorizes the department to discuss an acceptable or potentially acceptable proposal with an offeror to assess the offeror's ability to meet the solicitation requirements. Provides that the department may permit the offeror to revise the proposal in order to obtain the best final offer, after submission of a proposal but before making an award. Prohibits the department from disclosing any information derived from proposals submitted from competing offerors in conducting discussions under this section. Requires the department to provide each offeror with an equal opportunity for discussion and revision of proposals. Requires the department to make a written award of a contract to the offeror whose proposal is the most advantageous to the state, considering price and the evaluation factors in the request for proposals, except that if none of the offers

is acceptable, the department shall refuse all offers. Requires the contract file to state in writing the basis on which the award is made.

Sec. 202.095. **APPLICABILITY.** Prohibits Title 10D, Government Code, from applying to a procurement under this subchapter. Provides that this subchapter does not limit a telecommunications provider from placing lines or facilities in the unimproved portion of state highway right-of-way to the extent authorized by applicable law.

Sec. 202.096. **REVENUE.** Requires the department to deposit in the state highway fund any revenue received under this subchapter.

Sec. 202.097. **RULEMAKING.** Requires the commission to adopt rules for the implementation of this subchapter.

**SECTION 1.21.** Amends Chapter 222, Transportation Code, by adding Subchapter D, as follows:

#### **SUBCHAPTER D. STATE INFRASTRUCTURE BANK**

Sec. 222.071. **DEFINITIONS.** Defines "bank," "construction," "federal act," "federal-aid highway," "qualified project," and "secondary funds."

Sec. 222.072. **STATE INFRASTRUCTURE BANK.** Provides that the state infrastructure bank is an account in the state highway fund. Provides that the bank is administered by the commission. Sets forth provisions regarding the use of federal funds received under this section.

Sec. 222.073. **PURPOSES OF INFRASTRUCTURE BANK.** Sets forth purposes for the use of money deposited into the bank.

Sec. 222.074. **FORM OF ASSISTANCE.** Authorizes the commission to use money deposited to the credit of the bank to provide financial assistance to a public or private entity for a qualified project for certain purposes. Provides that financial assistance to a private entity under Subsection (a) is to be limited to a qualified project meeting certain requirements.

Sec. 222.075. **REVENUE BONDS.** Authorizes the commission to issue revenue bonds for the purpose of providing money for the bank. Authorizes the commission to issue revenue bonds or revenue refunding bonds under this section without complying with any other law applicable to the issuance of bonds, except as provided by Subsection (c). Provides that certain laws apply to bonds issued by the commission, notwithstanding any other provision of this section. Provides that the revenue bonds are special obligations of the commission payable only from income and receipts of the bank as the commission may designate. Provides that the income and receipts include principal of and interest paid on and to be paid on acquired obligations, other designated obligations held by the bank, or income from accounts created within the bank. Provides that the revenue bonds do not constitute a debt of the state or a pledge of the faith and credit of the state. Provides that the commission may require participants to make charges, levy taxes, or otherwise provide for sufficient money to pay acquired obligations. Provides that revenue bonds issued under this section are to be authorized by order of the commission and have the form and characteristics and bear the designations as are provided in the order. Sets forth requirements of revenue bonds. Requires all proceedings relating to the issuance of revenue bonds issued under this section to be submitted to the attorney general for examination. Sets forth provisions regarding the determination of revenue bonds. Requires the proceeds received from the sale of revenue bonds to be deposited in the bank and invested in the manner provided for other funds deposited under this subchapter.

Sec. 222.076. **SEPARATE SUBACCOUNTS.** Requires the bank to consist of at least two separate subaccounts, a highway subaccount and a transit subaccount.

Sec. 222.077. REPAYMENT TERMS; DEPOSIT OF REPAYMENTS; INVESTMENT INCOME. Requires any funds disbursed through the state infrastructure bank to be repaid on terms determined by the commission that comply with the federal act. Requires certain repayment loans to be deposited in a subaccount. Sets forth requirements for the investment of funds deposited to the credit of a subaccount. Requires the commission to administer the bank in compliance with the federal act and any applicable federal regulation or guideline. Authorizes the commission to establish certain rules.

Sec. 222.078. REPORT TO LEGISLATURE. Requires the department to submit a report to the legislature on the status of projects funded by the state infrastructure bank and the use of the bank by January 1, 2001. Sets forth information to be included in the report.

SECTION 1.22. Amends Chapter 223A, Transportation Code, by adding Sections 223.012 and 223.013, as follows:

Sec. 223.012. CONTRACTOR PERFORMANCE. Sets forth requirements of the department for developing a schedule for liquidated damages and reviewing contractor bidding capacity. Requires the department to file a report detailing certain information by December 1, 1998.

Sec. 223.013. ELECTRONIC BIDDING SYSTEM. Authorizes the department to establish an electronic bidding system for highway construction and maintenance contracts. Requires the system to permit a qualified vendor to electronically submit certain information. Provides that that part of Section 223.004(a) requiring a bid to be opened at a public hearing of the commission does not apply to an electronically submitted bid. Requires each electronically submitted bid to be publicly posted within 48 hours after bids are opened. Requires the department to take the actions necessary to recover certain costs after the electronic bidding system is established.

SECTION 1.23. Amends Section 223.041, Transportation Code, as follows:

Sec. 223.041. ENGINEERING AND DESIGN CONTRACTS. Requires the department to use private sector engineering-related services to assist in accomplishing its activities in providing transportation projects. Sets forth requirements of engineering-related purposes. Deletes a provision requiring the department to achieve a certain balance for the use of private sector professionals. Requires the department to index the level of expenditures from the amount set by rider in the General Appropriations Act. Deletes the requirement for the office of the state auditor to determine relevant costs to be considered under Subsection (a). Requires the department to increase its expenditures to private sector providers for engineering-related services by a certain amount, beginning in fiscal year 2000. Requires the commission to provide for hearings at which private sector complaints relating to the selection process are heard.

SECTION 1.24. Amends Chapter 224, Transportation Code, by adding Subchapter F, as follows:

#### SUBCHAPTER F. CONGESTION MITIGATION PROJECTS AND FACILITIES

Sec. 224.151. DEFINITIONS. Defines "congestion," "congestion mitigation," "high occupancy vehicle," "high occupancy vehicle lane," "motor vehicle," and "transportation corporation."

Sec. 224.152. PURPOSE. Provides that it is the intent of the legislature to further the purposes of the U. S. Congress to meet certain requirements as established in 23 U.S.C. Sections 134, 135, 146, and 149 and in Section 1012(b) of Public Law No. 102-240. Provides that the legislature declares that it is necessary to further the purposes described by Subsection (a), to provide for the participation of the commission and the department in projects and facilities for the purpose of congestion mitigation.

Sec. 224.153. HIGH OCCUPANCY VEHICLE LANES AUTHORIZED. Authorizes the

commission to designate and the department or a transportation corporation to design, construct, operate, or maintain one or more lanes on a multi-lane highway facility as dedicated to the use of high occupancy vehicles. Authorizes the commission to spend or allocate available funds for certain highway designations.

Sec. 224.154. **CONGESTION MITIGATION.** Provides that the commission may by order authorize the department or a transportation corporation to charge a toll for the use of one or more lanes of certain state highway facilities, notwithstanding any law of this state relating to charging tolls on existing free public highways. Authorizes the commission to enter into an agreement with a regional tollway authority described in Chapter 366, or a transit authority described in Chapter 451, 452, or 453, to charge a toll for the use of one or more lanes of a state highway facility under this subsection. Authorizes the commission by order to set the amount of toll charges. Requires any toll charges to be imposed in a reasonable and nondiscriminatory manner. Provides that the department and a transportation corporation are successor agencies to the Texas Turnpike Authority for purposes of Section 52-b, Article III, Texas Constitution, for purposes of congestion mitigation projects and facilities under this subchapter. Provides that certain revenue and administrative fees are to be deposited in the state highway fund and used only for projects for the improvement of the state highway system. Provides that revenue generated from toll charges and administrative fees assessed by an entity with whom the commission contracts under this section is to be allocated as required by the terms of the agreement. Provides that the powers granted by this section are subject to the restrictions of 23 U.S.C. Section 129.

Sec. 224.155. **FAILURE OR REFUSAL TO PAY TOLL CHARGES.** Requires any motor vehicle other than a police or emergency vehicle, that is driven or towed through a toll collection facility, to pay the proper toll.

Sec. 224.156. **ADMINISTRATIVE FEE; NOTICE.** Provides that the registered owner of a nonpaying vehicle is legally bound to pay the proper toll and an administrative fee, on the issuance of proper notice, in the event of nonpayment of the proper toll. Requires the commission by rule and a transportation corporation by order of its board of directors to respectively fix an administrative fee, not to exceed \$100, to recover the cost of collecting an unpaid toll. Requires the notice of nonpayment to be sent to the registered owner by the department by first-class mail by the 30th day after the date of the alleged failure to pay. Prohibits payment from being sooner than 30 days after the date the notice was mailed. Requires the registered owner to pay a separate toll and administrative fee for each event of nonpayment. Sets forth provisions regarding tolls if the registered owner of the vehicle fails to pay the proper toll.

Sec. 224.157. **PROSECUTIONS.** Provides that certain proof establishes the nonpayment of toll from the registered owner of a vehicle, in the prosecution of a violation under Sections 224.155 and 224.156. Authorizes the court of the local jurisdiction in which the violation occurred to assess and collect the fine, in addition to any court costs. Requires the court to collect the proper toll and administrative fee and forward the toll and fee to the department or to the transportation corporation. Sets forth a provision for the defense of nonpayment under Section 224.155, if certain conditions are met. Provides that a registered owner who is a lessor of a vehicle concerning which a notice of nonpayment was issued under Section 224.156, is not liable in connection with that notice of nonpayment if certain conditions are met. Provides that failure to provide certain information within the period prescribed renders the lessor liable as the registered owner. Provides that the lessee of the vehicle on the date of the violation is considered to be the owner of the vehicle for the purposes of this subchapter and is subject to prosecution for failure to pay the proper toll as if the lessee were the registered owner, if certain conditions are met.

Sec. 224.158. **USE AND RETURN OF TRANSPONDERS.** Defines "transponder." Provides that any law enforcement officer of the Department of Public Safety has the authority to seize a stolen or insufficiently funded transponder and to return it to the department or the transportation corporation. Prohibits an insufficiently funded transponder from being seized sooner than 30 days after the date the department or the transportation

corporation has sent a notice of delinquency to the holder of the account. Requires certain entities to consider offering motor vehicle operators the option of using a transponder to pay tolls without stopping.

Sec. 224.159. **ADOPTION OF RULES; PRESCRIBE FORMS.** Requires the commission to adopt rules and prescribe forms to administer this subchapter.

**SECTION 1.25.** Amends Section 431.073, Transportation Code, as follows:

Sec. 431.073. **New heading: PROJECTS IN COUNTY OF 500,000 OR MORE OR ADJACENT COUNTY.** Provides that this section applies only to a corporation, rather than a corporation in existence on August 31, 1991, that was created by certain entities to implement a transportation project in certain counties, including a county with a population of 500,000, rather than 1.5 million, or more. Provides that a corporation created by the state has the rights, powers, privileges, authority, and functions given the department under this title to perform certain functions, if approved and authorized by the commission. Provides that a corporation in existence on August 31, 1991 has certain powers, rights and privileges.

**SECTION 1.26.** Amends Section 224.033, Transportation Code, as follows:

Sec. 224.033. **COUNTY IMPROVEMENT OF STATE SYSTEM.** Authorizes the commission to enter into an agreement with the commissioners court of a county for improvement by the county of the state highway system. Deletes a provision authorizing a commissioners court to contract with the department. Defines "improvement." Deletes a definition of "improvement."

**SECTION 1.27.** Amends Section 251.014, Transportation Code, as follows:

Sec. 251.014. **COUNTY IMPROVEMENT OF STATE HIGHWAY.** Authorizes the commissioners court of a county to enter into an agreement, rather than a contract, with the commission, rather than the department, for the county to carry out a project of the state highway system. Defines "improvement." Deletes a provision that allows a county to enter into projects or activities that involve maintenance of a state highway or appurtenant facility.

**SECTION 1.28.** Amends Chapter 455, Transportation Code, by adding Section 455.0015, as follows:

Sec. 455.0015. **TRANSPORTATION NEEDS OF CLIENTS OF HEALTH AND HUMAN SERVICES AGENCIES.** Requires the department to consider and include the transportation needs of those persons who are clients of the health and human services agencies of this state, in performing its public transportation planning and funding activities. Sets forth the intent of the legislature.

**SECTION 1.29.** Amends Title 6K, Transportation Code, by adding Chapter 459, as follows:

#### **CHAPTER 459. COORDINATION OF TRANSPORTATION SERVICES**

Sec. 459.001. **DEFINITIONS.** Defines "social services provider" and "transportation provider."

Sec. 459.002. **COORDINATION WITH TRANSPORTATION PROVIDERS.** Requires a social services provider to coordinate with each local transportation provider to the greatest extent possible to maximize the efficiency and effectiveness of transportation services available to social services clients. Requires the social services provider to reimburse each transportation provider for services performed.

Sec. 459.003. **INVENTORY OF CURRENT CONTRACTS.** Sets forth provisions requiring social services providers to provide certain information to the executive director of each state agency.



SECTION 1.30. Amends Section 623.074, Transportation Code, by adding Subsection (d), to authorize the department by rule to authorize an applicant to submit an application electronically. Provides that an electronically submitted application is to be considered signed if a digital signature is transmitted with the application and intended by the applicant to authenticate the application. Defines "digital signature."

SECTION 1.31. Requires the department to complete a study of alternative routes for a second transportation link from the mainland to South Padre Island that would meet certain requirements by April 30, 1998. Requires the department to report to the legislature on the department's plans to implement the recommendations of the study described by Subsection (a) of this section, by December 31, 1998.

SECTION 1.32. Amends Section 201.109(b), Transportation Code, to require the commission to provide certain provisions, including developing a cost-benefit analysis between the use of local materials previously incorporated into roadways versus use of materials blended or transported from other sources.

SECTION 1.33. Amends Chapter 791C, Government Code, by adding Section 791.031, as follows:

Sec. 791.031. TRANSPORTATION INFRASTRUCTURE. Provides that this section applies only to a local government, other than a school district, that is authorized to impose ad valorem taxes on real property. Authorizes the department to enter into an interlocal contract with a local government to finance transportation infrastructure. Sets forth the requirements of the agreement. Authorizes the agreement to establish one or more transportation infrastructure zones. Authorizes the department and the local government to agree that at one or more specified times, the local government will pay to the department a certain amount. Prohibits the amount from exceeding a certain amount. Provides that money received by the department under this section is to be used for certain territorial provisions of the local government.

SECTION 1.34. Amends Title 4A, Transportation Code, by adding Chapter 53, as follows:

#### CHAPTER 53. PORT AUTHORITY ADVISORY COMMITTEE

Sec. 53.001. PORT AUTHORITY ADVISORY COMMITTEE. Sets forth provisions regarding the composition of the port authority advisory committee. Sets forth matters on which the port authority is authorized to advise. Sets forth provisions relating to the members of the port authority.

SECTION 1.35. Amends Section 201.105, Transportation Code, by adding Subsection (g), to authorize the commission to require by rule that any product or material that is approved for use in any one district to be approved for use by any other district.

SECTION 1.36. Amends Chapter 201C, Transportation Code, by adding Section 201.112, as follows:

(a) Sec. 201.112. CONTRACT CLAIMS. Authorizes the commission, by rule, to establish procedures for the informal resolution of a claim arising out of a contract described by Section 22.018, Chapter 223 or Chapter 2254, Government Code.

(b) Authorizes a person to request a formal administrative hearing to resolve the claim under Chapter 2001, Government Code, if the person is dissatisfied with the department's resolution. Requires an administrative law judge's proposal for decision rendered under Chapter 2001, Government Code, to be submitted to the director for adoption.

(c) Authorizes the director to change a finding of fact or conclusion made by an administrative judge, notwithstanding any law to the contrary. Requires the director to provide a written statement containing the reason and legal basis for a change made under

this subsection.

(d) Provides that the director's final order is subject to judicial review under Chapter 2001, Government Code, under the substantial evidence rule.

(e) Provides that this section does not waive state immunity from liability.

SECTION 1.37. Amends Chapter 201D, Transportation Code, by adding Section 201.2035, as follows:

Sec. 201.2035. ACCOUNTING STRUCTURE. Requires the department to create and maintain an accounting structure for roadway and warehouse inventory of the department. Requires the accounting structure to provide for the accounting for lost or destroyed materials.

SECTION 1.38. Amends Chapter 201F, Transportation Code, by adding Section 201.406, as follows:

Sec. 201.406. RELOCATION ASSISTANCE. Sets forth provisions authorizing the department to authorize certain reimbursements relating to transferred employees. Provides that certain items are not authorized for reimbursement by the department. Authorizes the department to pay the reasonable, necessary, and resulting costs of moving the household goods and effects of a transferred employee, if certain conditions apply.

SECTION 1.39. Amends Chapter 201H, Transportation Code, by adding Section 201.610, as follows:

Sec. 201.610. HIGHWAY SOUND BARRIERS. Authorizes the department to erect a sound barrier to reduce the noise from a road or highway in the state highway system at any location the department determines is appropriate, including along the right-of-way of a railroad that runs parallel or adjacent to a road or highway.

SECTION 1.40. Amends Chapter 201H, Transportation Code, by adding Section 201.611, as follows:

Sec. 201.611. COORDINATION OF FLOOD CONTROL. Requires the department to coordinate with local flood control authorities to minimize the impact of flooding, in the construction of its highway projects.

SECTION 1.41. Amends Chapter 201I, Transportation Code, by adding Section 201.706, as follows:

Sec. 201.706. LOCAL GOVERNMENT ASSISTANCE. Requires the department to assist counties with materials to repair and maintain county roads from appropriated funds. Sets forth requirements of the department.

SECTION 1.42. Amends Title 6B, Transportation Code, by adding Chapter 226, as follows:

#### CHAPTER 226. EMERGENCY HIGHWAY CALL BOX SYSTEM

Sec. 226.001. DEFINITION. Defines "emergency response services."

Sec. 226.002. APPLICABILITY; LIMITATION ON EXPENDITURES. Provides that this chapter does not apply to a segment of a highway that the commission has designated as a farm-to-market or ranch-to-market road or authorize the department to made an expenditure of money for the implementation, operation, or maintenance of the emergency telephone call box system out of the state highway fund.

Sec. 226.003. INSTALLATION, OPERATION, AND MAINTENANCE OF CALL BOX SYSTEM. Authorizes the department to provide for the installment, operation, and

maintenance of a system of emergency telephone call boxes along those highways in this state that are part of the designated state highway system. Sets forth provisions relating to the design of the system. Authorizes the department to contract with a private entity to perform the functions of a motorist assistance answering center under Subsection (b)(2)(B).

Sec. 226.004. FUNDING. Authorizes the department to implement a call box system under this chapter if a public or private entity provides all direct and indirect costs necessary for the installment, operation, and maintenance of the system.

Sec. 226.005. LOCATION OF AND DISTANCE BETWEEN CALL BOXES. Requires the location of the emergency call boxes to be determined by the department in accordance with the design specifications of the system.

Sec. 226.006. CONTRACTS FOR IMPLEMENTATION AND INSTALLATION. Authorizes the department to award a contract for the installation, maintenance, or operation of a call box system in the manner provided by Chapter 223. Authorizes the department to solicit proposals for and enter into one or more lease-purchase agreements under this chapter.

Sec. 226.007. INTERGOVERNMENTAL COOPERATION. Requires the Advisory Commission on State Emergency Communication, agencies of this state, and each county and municipality in this state to cooperate in the design, establishment, operation, and maintenance of the emergency telephone call box system.

SECTION 1.43. Amends Section 472.011, Transportation Code, to redefine "personal property." Makes a nonsubstantive change.

SECTION 1.44. Amends Chapter 502F, Transportation Code, by adding Section 502.2703, as follows:

Sec. 502.2703. PROFESSIONAL SPORTS TEAM LICENSE PLATES. Requires the department to issue for passenger cars and light trucks specially designed license plates that include the name and insignia of a professional sports team located in this state. Prohibits the department from issuing certain license plates. Requires the department to issue the plates to persons meeting certain requirements. Sets forth provisions for the use of fees and funds collected under this chapter. Requires the owner of a vehicle to return the special license plates to the department, if the owner disposes of the vehicle during the registration year. Defines "public entity," and "professional sports team."

SECTION 1.45. Amends Chapter 545H, Transportation Code, by adding Section 545.3535, as follows:

Sec. 545.3535. AUTHORITY OF TEXAS TRANSPORTATION COMMISSION TO ALTER SPEED LIMITS ON CERTAIN ROADS. Authorizes the commissioners court of a county to request the commission to determine and declare a reasonable and safe prima facie speed limit. Requires the commission to publish in a newspaper of general circulation in the affected county a certain notice, if the commission receives a request under Subsection (a). Authorizes the commission to elect to determine and declare a lower speed limit on any part of the road without an engineering and traffic investigation. Requires the commission, by rule, to establish standards for determining lower speed limits within a set range.

SECTION 1.46. Amends Chapter 21B, Property Code, by adding Section 21.0195, as follows:

Sec. 21.0195. DISMISSAL OF CERTAIN CONDEMNATION PROCEEDINGS; TEXAS DEPARTMENT OF TRANSPORTATION. Provides that this section applies only to the dismissal of a condemnation proceeding that involves the department. Sets forth provisions relating to the dismissal of certain proceedings.

SECTION 1.47. Requires the department to conduct a feasibility study to determine the need for construction of additional public rest areas with restrooms along the section of Interstate 35 between

San Antonio and Laredo and report these findings to the Legislature by January 1, 1999.

SECTION 1.48. Prohibits the department from performing certain actions, notwithstanding any other law including Chapter 552, Government Code. Prohibits a person having access to certain information from disseminating or publishing the information on the Internet or similar computer cyberspace network or bulletin board. Provides that a person commits an offense if the person disseminates or distributes information in violation of this section. Provides that an offense under this section is a punishable misdemeanor. Requires the department to adopt emergency rules to implement this section. Provides that this section takes effect only if S.B. 1069, 75th Legislature, does not become law.

SECTION 1.49. Repealer: Section 201.051(e), Transportation Code (Commission).

SECTION 1.50. Requires the department to conduct a study to explore whether it is practical for the department to develop and carry out a statewide Type II Noise Abatement Program by a certain date. Requires the department to provide members with a copy of the study upon request.

## ARTICLE 2. OUTDOOR ADVERTISING

SECTION 2.01. Amends Section 391.065, Transportation Code, by adding Subsection (c), to prohibit the commission from adopting a rule under this chapter that restricts competitive bidding or advertising by the holder of a license issued under this chapter other than a rule to prohibit false, misleading, or deceptive practices. Provides that the limitation provided by this section applies only to rules relating to the occupation of outdoor advertiser and does not affect the commission's power to regulate the orderly and effective display of outdoor advertising under this chapter. Prohibits a rule to prohibit false, misleading, or deceptive practices from restricting certain provisions or relating to the size or duration of an advertisement by the license holder.

SECTION 2.02. Amends Section 391.062, Transportation Code, by adding Subsection (c), to set forth standard language developed by the Sunset Commission regarding the notification of a person of impending license expiration by the commission.

SECTION 2.03. Amends Section 391.066(a), Transportation Code, by amending Subsection (a), to update standard language developed by the Sunset Commission that authorizes the commission to place on probation a license holder whose license is suspended. Authorizes the department to require the license holder to report to the commission.

SECTION 2.04. Amends Chapter 391D, Transportation Code, by adding Sections 391.097 and 391.098, as follows:

Sec. 391.097. MAJOR AGRICULTURAL INTEREST SIGN. Defines "eligible rural highway" and "major agricultural interest." Requires the commission to enter into one or more contracts with an individual, firm, group, or association in this state to erect and maintain major agricultural interest signs at appropriate locations along eligible rural highways. Sets forth provisions relating to matters to which a contract under this section applies. Requires a major agricultural interest to be located within five miles of an intersection with an eligible rural highway to be eligible to have its name displayed on a major agricultural interest sign. Sets forth requirements of a major agricultural interest sign. Sets forth requirements of the commission.

Sec. 391.098. VARIANCES. Sets forth provisions relating to the granting of variances by the director.

SECTION 2.05. Amends Section 394.003, Transportation Code, by adding Subsection (c), to provide that this chapter does not apply to a directional sign for a small business, as defined by Section 2006.001, Government Code, if the sign is on private property and has a surface area not larger than 50 square feet.

SECTION 2.06. Amends Section 394.021(b), Transportation Code, to update standard Sunset

provisions.

### ARTICLE 3. TEXAS MOTOR VEHICLE COMMISSION CODE

SECTION 3.01. Amends Section 2.02A, Article 4413(36), V.T.C.S., to require appointments to the commission to be made without regard to the race, color, disability, sex, religion or national origin of the appointee.

SECTION 3.02. Amends Article 4413(36), V.T.C.S., by adding Section 2.035, as follows:

Sec. 2.035. TRAINING ON DEPARTMENT AND CERTAIN LAWS RELATING TO DEPARTMENT. Adds standard language developed by the Sunset Commission regarding training.

SECTION 3.03. Amends Section 2.08(b), Article 4413(36), V.T.C.S., to delete certain provisions regarding the open meetings law. Adds standard language developed by the Sunset Commission to provide that the commission is subject to Chapters 551 and 2001, Government Code.

SECTION 3.04. Amends Section 2.08A(c), Article 4413(36), V.T.C.S., to update standard language developed by the Sunset Commission that defines grounds for removing a member of the board.

SECTION 3.05. Amends Section 2.09(e), Article 4413(36), V.T.C.S., to require the the commission to develop and implement policies that clearly separate the policy-making and management responsibilities of the executive director and staff of the commission.

SECTION 3.06. Amends Section 2.10(b), Article 4413(36), V.T.C.S., to require the annual report to comply with each reporting requirement applicable to financial reporting. Deletes a provision requiring the report to be in the form and reported in the time provided by the General Appropriations Act.

SECTION 3.07. Amends Section 2.12, Article 4413(36), V.T.C.S., to add standard language developed by the Sunset Commission regarding complaints.

SECTION 3.08. Amends Sections 2.13(a), (b), and (d), Article 4413(36), V.T.C.S., to require an intra-agency career ladder program to be developed that addresses opportunities for mobility and advancement of employees in the commission.

SECTION 3.09. Amends Section 3.05B, Article 4413(36), V.T.C.S., to prohibit the board from filing a complaint alleging a violation of this Act or a board rule relating to advertising until the board has notified the license involved of the alleged violation and given the licensee an opportunity to cure the violation without further proceedings or liability, notwithstanding certain provisions. Makes conforming changes.

SECTION 3.10. Amends Section 4.01B, Article 4413(36), V.T.C.S., as follows:

Sec. 4.01B. New heading: LICENSE EXPIRATION. Authorizes the commission, by rule, to implement a system under which licenses expire on various dates during the year. Requires license fees to be prorated for years in which a license expiration date is changed. Requires the entire license renewal fee to be payable upon the renewal of the license.

### ARTICLE 4. MOTOR CARRIERS

SECTION 4.01. Amends Section 3(i), Article 6675c, V.T.C.S., to add standard language developed by the Sunset Commission regarding motor carrier's registration.

SECTION 4.02. Amends Section 7, Article 6675c, V.T.C.S., by amending Subsections (a)-(d) and adding Subsection (e), to authorize the department to place on probation a motor carrier whose registration is suspended if certain conditions are met. Authorizes the department to require the carrier to report regularly to the department on any matter that is the basis of the probation.

SECTION 4.03. Amends Section 8, Article 6675, V.T.C.S., by adding Subsection(h), to add standard language developed by the Sunset Commission regarding adopting rules that restrict competitive bidding or advertising by a motor carrier except to prohibit false, misleading or deceptive practices.

SECTION 4.04. Amends Sections 3(a) and (e), Article 6675c, V.T.C.S., to require the department to adopt simplified procedures for the registration of motor carriers transporting household goods as agents for carriers required to register under this article, to avoid multiple registrations of a single motor carrier. Makes conforming and nonsubstantive changes.

SECTION 4.05. Amends Sections 4 (a), (b), and (d), Article 6675c, V.T.C.S., to make conforming changes.

SECTION 4.06. Amends Section 8, Article 6675c, V.T.C.S., by amending Subsections (c) and (f), and adding Subsection (g), to require the department to adopt rules to protect consumers who use the services of a motor carrier who is transporting household goods for compensation. Deletes provisions authorizing the department to adopt rules protecting consumers using motor carriers required to be registered under Section 3 of this article. Deletes a provision authorizing the department to adopt rules under this subsection that are more stringent than the corresponding federal provisions. Deletes a provision requiring a motor carrier transporting household goods to list a place of business with a street address in this state and the carrier's registration number issued under this article in any print advertising published in this state. Requires such rules to include certain measures, including certain requirements for a motor carriers transporting household goods. Requires the department to appoint a rules advisory committee consisting of certain persons. Sets forth the requirements of the advisory committee. Deletes provisions relating to the requirement that all collective associations of motor carriers provide a method of mediation for consumers to receive resolution through mediation. Requires the department to require motor carriers who are not required to register under Section 3 of this article to register their operations before transporting household goods for compensation. Requires the department to determine the forms and procedures for such registration. Requires the department to charge a motor carrier who registers under this subsection a fee that does not exceed the total of the fees imposed by Section 3 of this article.

SECTION 4.07. Amends Section 10, Article 6675c, V.T.C.S., to add standard language developed by the Sunset Commission regarding criminal penalties.

SECTION 4.08. Amends Section 1(1), Article 6675d, V.T.C.S., to redefine "commercial motor vehicle."

SECTION 4.09. Amends Section 5, Article 6675d, V.T.C.S., by adding Subsection (c), to provide that a rule adopted by the director under this article relating to hours of service, an operator's record of duty status, or an operator's daily log, for operations outside a 150-mile radius of the normal work-reporting location, also applies to and must be complied with by a motor carrier.

SECTION 4.10. Requires the study required by Section 8 (f)(2), Article 6675c, V.T.C.S., to be completed by July 1, 1998, and any resulting rules to be made to take effect January 1, 1999.

SECTION 4.11. (a) Amends Chapter 1, Title 116, V.T.C.S., by adding Article 6675c-2, as follows:

**Art. 6675c-2. FOREIGN COMMERCIAL MOTOR TRANSPORTATION**

**Sec. 1. DEFINITIONS.** Defines "border," "commercial motor vehicle," "border commercial zone," "foreign commercial motor vehicle," and "motor carrier."

**Sec. 2. RULES.** Authorizes the Texas Department of Transportation, the Department of Public Safety, and the Texas Department of Insurance to adopt other rules to carry out this article, in addition to rules required by this article.

**Sec. 3. REFERENCE TO FEDERAL STATUTE OR REGULATION.** Provides that a reference in this article to a federal statute or regulation includes any subsequent

amendment or redesignation of the statute or regulation.

Sec. 4. BORDER COMMERCIAL ZONE EXCLUSIVE; BOUNDARIES. Sets forth provisions relating to establishment of border commercial zones and the boundaries.

Sec. 5. REGISTRATION EXEMPTION IN BORDER COMMERCIAL ZONE. Sets forth provisions regarding exemptions for commercial vehicles in border commercial zones.

Sec. 6. FINANCIAL RESPONSIBILITY. Requires the department to adopt rules that conform with 49 C.F.R. Part 387 requiring motor carriers operating foreign commercial motor vehicles in this state to maintain financial responsibility. Provides that this article prevails over any other requirement of state law relating to financial responsibility for operation of those vehicles in this state.

Sec. 7. DOMESTIC TRANSPORTATION. Prohibits a foreign motor carrier or foreign motor private carrier from transporting persons or cargo in intrastate commerce in this state unless the carrier is authorized to conduct operations in interstate and foreign commerce domestically between points in the United State under federal law or international agreement.

(b) Amends Article 6675d, V.T.C.S., by adding Section 16, as follows:

Sec. 16. APPLICATION TO FOREIGN COMMERCIAL MOTOR VEHICLES. Provides that this article applies to all foreign commercial motor vehicles, as defined by Section 1, Article 6675c-2, V.T.C.S., except as otherwise provided by law.

SECTION 4.12. (a) Amends Sections 642.001, Transportation Code, by adding Subdivision (6), to define "tow truck."

(b) Amends Section 642.002, Transportation Code, to add standard language developed by the Sunset Commission, regarding identifying markings on certain vehicles required.

#### ARTICLE 5. SALVAGE VEHICLE DEALERS

SECTION 5.01. Amends Section 1.02, Article 6687-1a, V.T.C.S., by adding Subsection (c), to provide standard language developed by the Sunset Commission regarding a prohibition against the commission adopting rules that restrict competitive bidding or advertising by a salvage vehicle dealer except to prohibit false, misleading or deceptive practices.

SECTION 5.02. Amends Section 2.07, Article 6687-1a, V.T.C.S., by amending Subsections (a) and (b) and by adding Subsections (c)-(f), to set forth standard language developed by the Sunset Commission that establishes a method for salvage vehicle dealer license renewal.

SECTION 5.03. Amends Section 4.01(b), Article 6687-1a, V.T.C.S., to set forth standard language developed by the Sunset Commission regarding adoption of rules.

#### ARTICLE 6. VEHICLE STORAGE FACILITY ACT

SECTION 6.01. Amends Section 4, Article 6687-9a, V.T.C.S., by adding Subsection (d), to add standard language developed by the Sunset Commission prohibiting the commission from adopting certain rules.

SECTION 6.02. Amends Section 9(a), Article 6687-9a, V.T.C.S., by adding standard language developed by the Sunset Commission, regarding a method for vehicle storage facility license renewal.

SECTION 6.03. Amends Section 10, Article 6687-9a, V.T.C.S., by adding Subsections (e) and (f), to add standard language developed by the Sunset Commission, regarding persons on probation.

## ARTICLE 7. TURNPIKES

SECTION 7.01. Amends Chapter 222, Transportation Code, by adding Subchapter E, as follows:

### SUBCHAPTER E. TOLL FACILITIES

Section 222.101. EXPENDITURE OF MONEY. Authorizes the department to expend funds from any source on the construction, maintenance, and operation of toll facilities.

Section 222.102. TEMPORARY TOLL PROJECTS. Authorizes the department to recover the cost of a preventative maintenance or rehabilitation project on a nontoll segment of the state highway system by temporarily imposing a toll charge.

Section 222.103. COST PARTICIPATION. Authorizes the department to participate in a private or public tollway project, on terms established by the commission. Provides that an entity that participates in a project with the department is a successor agency to the Texas Turnpike Authority (TTA) for the purposes of Section 52-b, Article III, Texas Constitution. Requires the department to provide the member a status report on all highway construction projects, by legislative district, that are under contract or awaiting funding, on the request of a member of the legislature. Requires the report to include projects that would be funded in any manner by state, federal, or toll funds. Requires the department to notify members of the legislature that will be affected by the project of the status of the project.

SECTION 7.02. Amends Section 362.055, Transportation Code, to provide that this chapter does not apply to a regional tollway authority created under Chapter 366.

SECTION 7.03. Amends Section 361.001, Transportation Code, to define "authority," "turnpike project," and "regional tollway authority." Deletes a definition of "highway."

SECTION 7.04. Amends Section 361.031, Transportation Code, to provide that TTA is a division of the department that has full authority to exercise all powers granted to it under this chapter. Sets forth authorization powers and responsibilities of TTA. Authorizes TTA to use the facilities and personnel of the department in the same manner as other divisions of the department to perform its functions under this chapter. Requires the comptroller to assign a separate agency number to TTA. Requires the commission to employ a director of the authority who serves as the authority's chief administrative officer. Provides that the director serves at the pleasure of the commission.

SECTION 7.05. Amends Sections 361.032 (a), (b), (c), (e), and (g), Transportation Code, to require the board to be composed of seven directors. Requires the governor, with the advice and consent of the senate, to appoint six directors who represent the public. Provides that the chair or a member of the commission designated by the chair serves as ex officio board member. Sets forth terms of directors and responsibilities of the commission.

SECTION 7.06. Amends Section 361.033(a), Transportation Code, to update standard language developed by the Sunset Commission regarding conflict of interest.

SECTION 7.07. Amends Chapter 361B, Transportation Code, by adding Section 361.0335, as follows:

Sec. 361.0335. TRAINING FOR BOARD MEMBERS. Requires a person appointed to the board to complete at least one course of a training program that complies with this section to be eligible to take office as a member of the board. Requires a training program to provide information to the person regarding certain provisions. Provides that a person appointed to the board is entitled to reimbursement for travel expenses incurred in attending the training program, as provided by the General Appropriations Act and as if the person were a member of the board.

SECTION 7.08. Amends Section 361.042, Transportation Code, to update standard language developed by the Sunset Commission regarding general powers and duties of TTA.



SECTION 7.09. Amends Section 361.055, Transportation Code, to set forth entities that are considered successor agencies to TTA. Provides that a municipality that operates or otherwise receives a turnpike project under Subchapter H, the department, and a public or private entity authorized to receive funds from the department for the construction, maintenance, or operation of toll projects, are considered successor agencies for the purposes of Section 52-b, Article III, Texas Constitution.

SECTION 7.10. Amends Section 361.132, Transportation Code, to authorize the board of directors of the authority (board) to acquire certain property it determines necessary or convenient for certain purposes of carrying out this chapter. Provides that the real property TTA is authorized to acquire may include certain provisions. Sets forth provisions of the board, rather than TTA, regarding the acquisition of real property. Provides that property necessary or convenient for the construction or operation of a turnpike project under Subsection (a) includes an interest in real property, a property right, or materials that TTA determines are necessary or convenient to meet certain objectives. Requires TTA to comply with all applicable relocation assistance procedures. Authorizes TTA to acquire certain materials as necessary to carry out a purpose under this chapter.

SECTION 7.11. Amends Section 361.135, Transportation Code, to authorize the board, with the concurrence of the commission, to acquire public or private real property in the name of the state, if certain conditions apply. Authorizes the board, with the concurrence of the commission, to condemn real property that TTA determines meets certain conditions, among which includes the property being necessary for access, approach, and interchange roads, or necessary for supplemental facilities of TTA. Deletes provisions authorizing the condemning of certain real property and authorizing TTA to construct a supplemental facility. Makes conforming changes.

SECTION 7.12. Amends Section 361.136, Transportation Code, to delete a provision that requires TTA to provide and maintain a passageway over or under a turnpike project for the owner of severed real property in excess of 80 acres. Deletes a provision that requires TTA to sell and dispose of all severed property within two years.

SECTION 7.13. Amends Chapter 361D, Transportation Code, by adding Section 361.142, as follows:

Sec. 361.142. COVENANTS, CONDITIONS, RESTRICTIONS, OR LIMITATIONS. Provides that covenants, conditions, restrictions, or limitations affecting property acquired in any manner by the authority are not binding against the authority and do not impair the authority's ability to use the property for a purpose authorized by this chapter. Provides that the beneficiaries of the covenants, conditions, restrictions, or limitations are not entitled to enjoin the authority from using the property for a purpose authorized under this chapter, but this section does not affect the right of a person to seek damages to the person's property under Section 17, Article I, Texas Constitution.

SECTION 7.14. Amends Section 361.180, Transportation Code, as follows:

Sec. 361.180. New heading: TOLLS ON CONVERTED HIGHWAYS. Authorizes the commission to impose a toll for transit over an existing free public highway if the highway has been converted to a toll facility under Section 222.072 or 362.0041.

SECTION 7.15. Amends Section 361.184, Transportation Code, to authorize the board to transfer, or direct TTA to transfer certain funds into the project revolving fund, including advances from the state highway fund.

SECTION 7.16. Amends Section 361.189, Transportation Code, to authorize the commission to authorize the use of surplus revenue to pay the costs of another turnpike project and a toll-free project. Deletes a provision that prohibits the commission from taking action under this section that violates Subsection (b). Deletes existing Subsections (b) and (c) regarding surplus revenue of a turnpike project.

SECTION 7.17. Amends Section 361.232, Transportation Code, to provide that this section does

not apply to the conversion of any highway that is a part of the state highway system to a turnpike project.

SECTION 7.18. Amends Section 361.237, Transportation Code, to provide that a turnpike project is a public road subject to all laws applicable to the regulation and control of traffic. Deletes provisions establishing certain responsibilities of TTA.

SECTION 7.19. Amends Section 361.238, Transportation Code, as follows:

Sec. 361.238. New heading: PAYMENT OF BOND INDEBTEDNESS; CESSATION OR CONTINUATION OF TOLLS. Provides that a turnpike project becomes a toll-free highway when certain conditions apply, among which includes, firm banking and financial arrangements have been made for the discharge and final payment or redemption of the bonds in accordance with Article 717k, V.T.C.S., except as provided by Subsection (b). Deletes a provision regarding bonds. Authorizes the commission to continue to charge a toll if the conditions of Subsections (a)(1) and (2) are met. Deletes existing Subsections (b)-(d) regarding a turnpike project. Requires certain entities to consider offering motor vehicle operators the option of using a transponder to pay tolls without stopping, to mitigate congestion at toll locations, to enhance traffic flow, and to otherwise increase the efficiency of operations.

SECTION 7.20. Amends Chapter 361H, Transportation Code, as follows:

SUBCHAPTER H. New heading: TRANSFER OF TURNPIKE PROJECT TO COUNTY, MUNICIPALITY, REGIONAL TOLLWAY AUTHORITY, OR LOCAL GOVERNMENT CORPORATION

SECTION 7.21. Amends Sections 361.281, 361.282, and 361.285, Transportation Code, as follows:

Sec. 361.281. APPLICABILITY OF SUBCHAPTER. Provides that this subchapter applies only to certain entities, including a municipality with a population of more than 120,000 that is adjacent to the United Mexican States, or a regional tollway authority created under Chapter 366.

Sec. 361.282. LEASE, SALE, OR CONVEYANCE OF TURNPIKE PROJECT. Authorizes TTA to convey a turnpike project to a county, municipality, regional tollway authority, or a local government corporation created under Chapter 431. Requires a turnpike being transferred to be in the best interest of the state and of the entity receiving the turnpike project.

Sec. 361.285. APPROVAL OF AGREEMENT BY ATTORNEY GENERAL. Makes a conforming change.

SECTION 7.22. Amends Section 361.331, Transportation Code, to authorize TTA to designate two or more turnpike projects that are wholly or partly located in a metropolitan planning organization, rather than a planning region of a council of governments, after certain processes are accomplished. Deletes the process for turnpike designation that requires an adopted resolution of the commissioners court of that county.

SECTION 7.23. Amends Section 362.0041, Transportation Code, as follows:

Sec. 362.0041. New heading: CONVERSION OF PROJECTS. Authorizes the commission to convert a free state highway to a turnpike project of the turnpike division if it is the most feasible and economic means to accomplish necessary expansion improvement. Deletes existing Subsections (b) and (c), regarding a transferred highway. Makes conforming and nonsubstantive changes.

SECTION 7.24. Amends Title 6G, Transportation Code, by adding Chapter 366, as follows:

CHAPTER 366. REGIONAL TOLLWAY AUTHORITIES  
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 366.001. SHORT TITLE: Regional Tollway Authority Act.

Sec. 366.002. PURPOSES; LIBERAL CONSTRUCTION. Provides that the purposes of the chapter are to expand and to improve transportation in the state, create regional tollway authorities to secure rights-of-way for urgently needed transportation systems, to plan, design, construct and operate these systems, and to reduce the financial burdens and demands on the commission. Requires this chapter to be liberally construed to effect its purposes.

Sec. 366.003. DEFINITIONS. Defines "authority," "board," "bond," "bond proceedings," "bond resolution," "bondholder," "highway," "local government entity," "revenue," "system," and "turnpike project."

Sec. 366.004. CONSTRUCTION COSTS DEFINED. Provides that the cost of acquisition, construction, improvement, extension, or expansion of a turnpike project or system under this chapter includes certain costs. Authorizes costs attributable to a turnpike project or system and incurred before the issuance of bonds to finance the turnpike project or system to be reimbursed from the proceeds of sale of the bonds.

SUBCHAPTER B. CREATION AND POWERS OF REGIONAL TOLLWAY AUTHORITIES

Sec. 366.031. CREATION AND EXPANSION OF A REGIONAL TOLLWAY AUTHORITY. Authorizes two or more counties, acting through their respective commissioners courts, by order passed by each commissioners court, to create a regional tollway authority under this chapter under certain conditions. Requires the commission to adopt rules to implement the provisions of this section by March 1, 1998. Authorizes a commissioners court, by resolution, to petition an established regional tollway authority (authority) for inclusion in an authority if the county is contiguous to a county that initially created the authority. Provides that upon approval of the board of an authority receiving a petition under Subsection (b), the county becomes part of an authority.

Sec. 366.032. NATURE OF REGIONAL TOLLWAY AUTHORITY. Provides that an authority created under this chapter is a body politic and corporate and a political subdivision of this state. Provides that an authority is a governmental unit as that term is defined in Chapter 101, Civil Practice and Remedies Code. Sets forth provisions regarding the exercise by an authority of the powers conferred by this chapter in the acquisition, design, financing, construction, operation, and maintenance of a turnpike project or system. Provides that the operations of an authority are governmental, not proprietary, functions.

Sec. 366.033. GENERAL POWERS. Authorizes an authority, acting through its board, without state approval, supervision, or regulation, to take certain actions and adopt certain rules for the regulation of its affairs and the conduct of its business. Requires rules adopted by the authority to comply with procedures in Chapter 2001B, Government Code, and are subject to Section 2001.038, Government Code, except that the action may be brought only in a district court of a county located in the authority. Requires an authority to adopt written procedures governing its procurement of goods and services that are consistent with general laws applicable to the authority.

Sec. 366.034. ESTABLISHMENT OF TURNPIKE SYSTEMS. Sets forth provisions applicable if an authority determines that the traffic needs of the counties in which it operates and the traffic needs of the surrounding region could be most efficiently and economically met by jointly operating two or more turnpike projects as one of operational and financial enterprise.

Sec. 366.035. CONVERSION OF STATE HIGHWAY SYSTEM PROJECTS. Sets forth provisions applicable if the commission determines that the most feasible and economic means to accomplish necessary expansions, improvements, or extensions to the state

highway system is the conversion to a turnpike project of a segment of the free state highway system. Requires an authority to reimburse the commission for the cost of a transferred highway, unless the commission determines the transfer will result in net benefits to the state, the department, and the traveling public that exceed that cost. Sets forth provisions regarding that cost and costs anticipated. Sets forth additional requirements for the commission and provisions regarding notice and rules. Requires an authority to adopt certain rules. Requires the commission to adopt rules implementing this section. Requires the rules to include criteria and guidelines for the approval of a transfer of a highway. Requires an authority to adopt rules providing criteria and guidelines for approving the acceptance of a highway under this section.

#### SUBCHAPTER C. FEASIBILITY OF REGIONAL TURNPIKE PROJECTS

Sec. 366.071. EXPENDITURES FOR FEASIBILITY STUDIES. Sets forth provisions regarding an authority and expenses of studying the cost and feasibility and other expenses. Sets forth provisions regarding money spent under this section and the use of any money of a turnpike project or system to study certain feasibility.

Sec. 366.072. FEASIBILITY STUDY FUND. Authorizes an authority to maintain a feasibility study fund and sets forth provisions regarding the fund. Sets forth additional provisions regarding the feasibility authority fund and money used the fund. Sets forth provisions regarding money spent under Subsection (c). Authorizes an authority to borrow money and issue promissory notes or other interest-bearing evidence of indebtedness payable out of its feasibility study fund for a purpose described by Subsection (c).

Sec. 366.073. FEASIBILITY STUDY BY MUNICIPALITY, COUNTY, OTHER LOCAL GOVERNMENTAL ENTITY, OR PRIVATE GROUP. Authorizes municipalities, counties, local governments and private groups or a combination of these entities to pay all or part of certain expenses. Sets forth provisions regarding money spent under Subsection (a) for an authority's proposed turnpike project or system.

#### SUBCHAPTER D. TURNPIKE FINANCING

Sec. 366.111. TURNPIKE REVENUE BONDS. Authorizes an authority, by adoption of a bond resolution, to authorize the issuance of bonds to pay certain costs. Sets forth provisions regarding the bonds of each issue. Authorizes an authority to sell the bonds at public or private sale in the manner and for the price it determines to be in the authority's best interest. Sets forth provisions regarding the proceeds of each bond issue. Sets forth provisions regarding the issuance of additional bonds to pay the costs of a turnpike project or system. Sets forth provisions applicable if the proceeds of a bond issue exceed the cost of the turnpike project or system for which the bonds were issued. Sets forth provisions regarding bonds issued under this chapter.

Sec. 366.112. INTERIM BONDS. Authorizes an authority, before issuing definitive bonds, to issue interim bonds, with or without coupons, exchangeable for definitive bonds. Authorizes the interim bonds to be authorized and issued in accordance with this chapter, without regarding to the requirements, restrictions, or procedural provisions contained in any other law. Authorizes a bond resolution authorizing interim bonds to provide that the interim bonds recite that the bonds are issued under this chapter.

Sec. 366.113. PAYMENT OF BONDS; STATE AND COUNTY CREDIT NOT PLEDGED. Provides that the principal of, interest on, and any redemption premium on bonds issued by an authority are payable solely from certain amounts. Provides that bonds issued under this chapter do not constitute a debt of the state or any of the counties of an authority or a pledge of the faith and credit of the state or any of the counties. Sets forth requirements for each bond. Prohibits an authority from incurring financial obligations that cannot be paid from revenue derived from owning or operating the authority's turnpike projects and systems or from other revenue provided by law.

Sec. 366.114. EFFECT OF LIEN. Provides that a lien on or a pledge of revenue from a turnpike project or system under this chapter or on a reserve, replacement, or other fund established in connection with a bond issued under this chapter has certain characteristics. Provides that a bond resolution is not required to be recorded except in the regular records of the authority.

Sec. 366.115. BOND INDENTURE. Authorizes the bonds issued under this chapter to be secured by a bond indenture between the authority and a certain corporate trustee or a certain bank. Sets forth additional provisions regarding a bond indenture. Authorizes the expenses incurred in carrying out a trust agreement to be treated as part of the cost of operating the turnpike. Sets forth certain authorizations for an owner or trustee of a bond issued under this chapter.

Sec. 366.116. APPROVAL OF BONDS BY ATTORNEY GENERAL. Requires an authority to submit to the attorney general for examination a transcript of proceedings relating to bonds authorized under this chapter. Requires the transcript to include the bond proceedings and any contract securing or providing revenue for the payment of the bonds. Sets forth provisions applicable if the attorney general determines that the bonds, the bond proceedings, and any supporting contract are authorized by law. Requires the comptroller to register the record of proceedings. Provides that after approval by the attorney general, the bonds, the bond proceedings, and any supporting contract are valid, enforceable, and incontestable in any court or other forum for any reason and are binding obligations according to their terms for all purposes.

Sec. 366.117. FURNISHING OF INDEMNIFYING BONDS OR PLEDGES OF SECURITIES. Sets forth provisions regarding a bank or trust company incorporated under the laws of this state that acts as depository of the proceeds of bonds or of revenue. Authorizes bonds of an authority to secure the deposit of public money of the state or a political subdivision of the state to the extent of the lesser of the face value of the bonds or their market value.

Sec. 366.118. APPLICABILITY OF OTHER LAW; CONFLICTS. Sets forth provisions regarding laws that apply to bonds issued under this chapter. Provides that to the extent of a conflict between certain laws and this chapter, this chapter prevails.

#### SUBCHAPTER E. ACQUISITION, CONSTRUCTION, AND OPERATION OF TURNPIKE PROJECTS

Sec. 366.161. TURNPIKE PROJECTS EXTENDING INTO OTHER COUNTIES. Authorizes an authority to acquire, construct, operate, maintain, expand, or extend a turnpike project in certain counties.

Sec. 366.162. POWERS AND PROCEDURES OF AUTHORITY IN ACQUIRING PROPERTY. Authorizes an authority to construct or improve a turnpike project on real property, including a right-of-way acquired by the authority or provided to the authority for that purpose by the commission, a political subdivision of this state, or any other local governmental entity. Provides that except as provided by this chapter, an authority has the same powers and may use the same procedures as the commission in acquiring property.

Sec. 366.163. ACQUISITION OF PROPERTY. Authorizes an authority to acquire certain public or private real and other property. Sets forth provisions regarding the property an authority is authorized to acquire. Authorizes an authority to acquire real property by any method, including purchase and condemnation. Authorizes an authority to purchase public or private real property on the terms and at the price the authority and the property owner consider reasonable. Provides that covenants, conditions, restrictions, or limitations affecting property acquired in any manner by the authority are not binding against the authority and do not impair the authority's ability to use the property for a purpose authorized by this chapter. Sets forth the restrictions to the beneficiaries of the covenants, conditions, restrictions, or limitations. Provides that Subsection (d) does not affect the obligation of the

authority under other state law to compensate the state for acquiring or using property owned by or on behalf of the state.

Sec. 366.164. **RIGHT OF ENTRY.** Authorizes an authority, in order to acquire property necessary or useful in connection with a turnpike project, to enter any real property, water, or premises to make a survey, geotechnical evaluation, sounding or examination. Provides that an entry under Subsection (a) is not a trespass or an entry under a pending condemnation proceeding. Requires the authority to make reimbursements for any actual damages to real property, water, or premises that result from an activity described by Subsection (a).

Sec. 366.165. **CONDEMNATION OF REAL PROPERTY.** Authorizes an authority to acquire public or private real property by the exercise of the power of condemnation under the laws applicable to the exercise of that power on property for public use under certain conditions. Authorizes an authority to condemn real property that the authority makes certain determinations about. Authorizes an authority to construct a supplemental facility only on real property the authority purchases. Sets forth provisions regarding an authority's acquisition of any real or other property of the commission under this section or any other section of this chapter, or an authority's relocation, rerouting, disruption, or alteration of any facility of the commission.

Sec. 366.166. **DECLARATION OF TAKING.** Authorizes an authority to file a declaration of taking with the clerk of a certain court. Authorizes an authority to file the declaration of taking concurrently with or subsequent to the petition, but prohibits the authority from filing the declaration after the special commissioners have made an award in the condemnation proceeding. Sets forth requirements regarding the declaration of taking. Sets forth provisions regarding a deposit to the registry of the court of an amount equal to the appraised fair market value. Authorizes the authority to tender in favor of the owner of the subject property a bond or other security in a certain amount. Sets forth a provision regarding the date on which the declaration is filed. Authorizes an owner to draw upon the deposit held by the court under Subsection (d) on the same terms and conditions as are applicable under state law to a property owner's withdrawal of a commissioners' award under Section 21.021(a)(1), Property Code. Sets forth provisions regarding a property owner that is a defendant in an eminent domain action filed by an authority under this chapter.

Sec. 366.167. **POSSESSION OF PROPERTY.** Requires an authority, immediately upon the filing of a declaration of taking, to serve a copy of the declaration on each person possessing an interest in the condemned property by a method prescribed by Section 21.016(d), Property Code. Requires an authority to file evidence of the service with the clerk of the court. Authorizes an authority take to take possession of the property, upon the filing of that evidence, on the same terms as if a commissioners hearing had been conducted, pending the litigation. Sets forth provisions applicable if the condemned property is a homestead or a portion of a homestead. Provides that a property owner or tenant who refuses to vacate the property or yield possession is subject to forcible entry and detainer under Chapter 24, Property Code.

Sec. 366.168. **SEVERANCE OF REAL PROPERTY.** Sets forth requirements applicable if an authority's turnpike project severs a property owner's real property. Authorizes an authority, at its option, to negotiate for and purchase the severed real property or any part of the severed real property under certain conditions. Authorizes an authority to seek and dispose of severed real property that it determines is not necessary or useful to the authority. Requires severed property to be appraised before being offered for sale by an authority.

Sec. 366.169. **ACQUISITION OF RIGHTS IN PUBLIC REAL PROPERTY.** Authorizes an authority to use real property owned by the state or a local governmental entity that the authority considers necessary for the construction or operation of a turnpike project. Authorizes the state or a local governmental entity having charge of public real property to consent to the use of the property for a turnpike project. Authorizes, except as provided by Section 366.035, the state or a local governmental entity to convey, grant, or lease to an authority real property that may be necessary or convenient to accomplish the authority's

purposes, including the construction or operation of a turnpike project. Authorizes a conveyance, grant, or lease under this section to be made without advertising, court order, or other action other than the normal action of the state or local governmental entity necessary for a conveyance, grant, or lease. Provides that this section does not deprive the School Land Board of the power to execute certain leases. Authorizes the leases to provide for directional drilling from the adjoining property or tidewater area. Provides that this section does not affect the obligation of the authority under other state law to compensate the state for acquiring or using property owned by or on behalf of the state. Provides that an authority's use of property owned by or on behalf of the state is subject to any covenants, conditions, restrictions, or limitations affecting that property.

**Sec. 366.170. COMPENSATION FOR AND RESTORATION OF PUBLIC PROPERTY.** Prohibits an authority, with an exception, from paying compensation for public real property, parkways, streets, highways, alleys, or reservations it takes, except for parks and playgrounds, property owned by or on behalf of the state that under state law requires compensation to the state for the use or acquisition of the property, or as provided by this chapter. Requires public property damaged in the exercise of powers granted by this chapter to be restored or repaired and placed in its original condition as nearly as practicable. Provides that an authority has full easements and rights-of-way through, across, under, and over any property owned by the state or any local governmental entity that are necessary or convenient to certain purposes. Makes conforming changes.

**Sec. 366.171. PUBLIC UTILITY FACILITIES.** Authorizes an authority to adopt rules for the installation, construction, operation, maintenance, repair, renewal, relocation, and removal of a public utility facility in, on, along, over, or under a turnpike project. Sets forth provisions applicable if an authority determines that it is necessary that a public utility facility located in, on, along, over, or under a turnpike project be relocated in the turnpike project, removed from the turnpike project, or carried along or across the turnpike project. Authorizes the authority to reduce the total costs to be paid by the authority under Subsection (b) by 10 percent for each 30-day period or portion of a 30-day period by which the relocation exceeds the limit specified by the authority. Sets forth provisions applicable if an owner or operator of a public utility facility does not timely remove or relocate as required under Subsection (b). Provides that Article 1436a, V.T.C.S., applies to the erection, construction, maintenance, and operation of lines and poles owned by a corporation described by Section 1 of that Act over, under, across, on, and along a turnpike project or system constructed by an authority. Sets forth certain powers and duties of an authority. Provides that the laws of this state that are applicable to the use of public roads, streets, and waters by a telephone and telegraph corporation apply to the erection, construction, maintenance, location, and operation of a line, pole, or other fixture by a telephone and telegraph corporation over, under, across, on, and along a turnpike project or system constructed by an authority under this chapter. Defines "public utility facility."

**Sec. 366.172. LEASE, SALE, OR CONVEYANCE OF TURNPIKE PROJECT.** Authorizes an authority to lease, sell, or convey in another manner a turnpike to the department, a county, or a local government corporation created under Chapter 431 only with the approval of the governing body of the entity to which the project is transferred. Sets forth a provisions regarding an agreement to lease, sell, or convey a turnpike project under this section.

**Sec. 366.173. REVENUE.** Authorizes an authority to impose tolls and contract with a person for certain purposes. Requires tolls to be set according to certain guidelines. Provides that tolls are not subject to supervision or regulation by any state agency or other local governmental entity. Sets forth provisions regarding the setting aside of tolls and other revenue derived from a turnpike project or system for which bonds are issued for certain payments. Provides that use and disposition of money to the credit of the sinking fund is subject to the bond proceedings. Authorizes the use of revenue from one turnpike project of an authority, to a certain extent, to be used to pay the cost of other turnpike projects of the authority. Prohibits an authority from using revenue from its turnpike projects in a manner not authorized by this chapter. Prohibits revenue generated from a turnpike project from being applied for a purpose or to pay a cost other than a cost or purpose that is reasonably



related to or anticipated for a turnpike project.

Sec. 366.174. **AUTHORITY REVOLVING FUND.** Authorizes an authority to maintain a revolving fund. Authorizes an authority to transfer into its revolving fund money from any permissible source, including certain moneys, advances, and contributions. Authorizes the authority to use the money in the revolving fund for certain purposes. Sets forth a provision regarding money spent or advanced from the revolving fund for a turnpike project or system.

Sec. 366.175. **USE OF SURPLUS REVENUE.** Authorizes the board of an authority, by resolution, to authorize the use of surplus revenue of a turnpike project or system to pay certain costs. Sets forth provisions regarding the resolution.

Sec. 366.176. **EXEMPTION FROM TAXATION OR ASSESSMENT.** Provides that an authority is exempt from taxation of or assessment on a turnpike project or system, certain property, or certain income. Sets forth an additional exemption.

Sec. 366.177. **ACTIONS AFFECTING EXISTING ROADS.** Authorizes an authority to impose a toll for transit in certain cases. Authorizes an authority to construct a certain grade separation and prohibits the action from affecting a segment of the state highway system without the department's consent. Requires an authority to pay the cost of a grade separation and certain damages. Requires an authority to provide access to certain properties, if feasible.

Sec. 366.178. **FAILURE OR REFUSAL TO PAY TOLL.** Requires certain motor vehicles to pay the property toll. Sets forth the fine for a person who fails or refuses to pay a toll. Sets forth provisions applicable if a person fails to pay the proper toll. Sets forth provisions regarding notice of nonpayment. Sets forth provisions applicable if the registered owner of the vehicle fails to pay the proper toll and administrative fee within a certain time. Sets forth a provisions regarding the prosecution of a violation for nonpayment. Authorizes the court of the local jurisdiction to assess and collect the fine in addition to any court costs. Requires the court to collect the proper toll and administrative fee and forward the toll and fee to the authority. Provides that it is a defense to nonpayment under this section that the motor vehicle in question was stolen before the failure to pay the proper toll occurred and was not recovered by the time of the failure to pay, but only if the theft was reported in a certain manner. Sets forth provisions regarding a registered owner who is the lessor of a vehicle for which a notice of nonpayment has been issued.

Sec. 366.179. **USE AND RETURN OF TRANSPONDERS.** Provides that, for the purposes of this section, a transponder is a device placed on or within an automobile that is capable of transmitting or receiving information used to assess or collect tolls. Provides that a transponder is insufficiently funded under certain conditions. Sets forth provisions regarding an insufficiently funded transponder. Authorizes certain entities to consider offering motor vehicle operators the option of using a transponder to pay tolls without stopping.

Sec. 366.180. **CONTROLLED ACCESS TO TURNPIKE PROJECTS.** Authorizes an authority to designate a turnpike project or a portion of a project as a controlled-access toll road. Authorizes an authority, by order, to take certain actions. Provides that denial of access to or from a segment of the state highway system is subject to approval of the commission.

Sec. 366.181. **PROMOTION OF TOLL ROADS.** Authorizes an authority to promote the use of its turnpike projects by appropriate means.

Sec. 366.182. **OPERATION OF TURNPIKE PROJECT.** Requires an authority to operate its turnpike projects through a force of toll-takers, and other employees or through the services contracted under Subsection (b) or (c). Authorizes an authority to enter into an agreement with one or more persons to provide personnel and services to design, construct, operate, maintain, expand, enlarge, or extend the authority's turnpike projects. Authorizes an authority to contract with any state or local government entity for the services of peace



officers of that agency.

Sec. 366.183. **AUDIT.** Requires an authority to have a certified public accountant audit the authority's books and accounts at least annually. Authorizes the cost of the audit to be treated as part of the cost of construction or operation of a turnpike project.

Sec. 366.184. **DISADVANTAGED BUSINESSES.** Requires an authority, consistent to general law, to take certain actions in regard to disadvantaged businesses.

Sec. 366.185. **COMPETITIVE BIDDING.** Requires a contract made by an authority that requires the expenditures of public funds for the construction or maintenance of a turnpike project to be let by a competitive bidding procedure in which the contract is awarded to the lowest responsible bidder that complies with the authority's criteria. Requires the authority to adopt rules governing the award of contracts through competitive bidding.

#### SUBCHAPTER F. GOVERNANCE

Sec. 366.251. **BOARD OF DIRECTORS.** Provides that an authority is governed by a board of directors. Sets forth provisions regarding appointments to the board of directors, vacancy, voting, and presiding officer.

Sec. 366.252. **CONFLICT OF INTEREST.** Adds standard language developed by the Sunset Commission regarding conflicts of interest. Defines "Texas trade association."

Sec. 366.253. **SURETY BONDS.** Requires each director, before beginning a term, to execute a surety bond in the amount of \$25,000, and requires the secretary and treasurer to execute a surety bond in the amount of \$50,000. Sets forth requirements regarding each surety bond. Requires the authority to pay the expense of the bonds.

Sec. 366.254. **REMOVAL OF DIRECTOR.** Adds standard language developed by the Sunset Commission regarding removal of director.

Sec. 366.255. **COMPENSATION OF DIRECTOR.** Provides that each director is entitled to reimbursement for the director's actual expenses necessarily incurred in the performance of the director's duties. Provides that a director is not entitled to any additional compensation for the director's services.

Sec. 366.256. **EVIDENCE OF AUTHORITY ACTIONS.** Provides that actions of an authority are the actions of its board and may be evidenced in any legal manner, including a board resolution.

Sec. 366.257. **PUBLIC ACCESS.** Adds standard language developed by the Sunset Commission regarding public access.

Sec. 366.258. **INDEMNIFICATION.** Authorizes an authority to indemnify one or more of its directors or officers for certain costs and expenses. Sets forth provisions applicable if an authority does not fully indemnify a director or officer as provided by Subsection (a). Prohibits a court from assessing indemnity under Subsection (b) for an amount paid by the director or officer to the authority. Provides that this section applies to a current or former director or officer of the authority.

Sec. 366.259. **PURCHASE OF LIABILITY INSURANCE.** Requires an authority to insure its officers and employees from liability arising from the use, operation, or maintenance of equipment that is used or may be used in connection with the laying out, construction, or maintenance of the authority's turnpike projects. Sets forth requirements regarding insurance coverage under this section. Provides that this section is not a waiver of immunity of the authority or the counties in an authority from certain liability. Defines "equipment."

Sec. 366.260. CERTAIN CONTRACTS AND SALES PROHIBITED. Prohibits a director, agent, or employee of an authority from taking certain actions. Provides that a person who violates Subsection (a) is liable for a civil penalty to the authority not to exceed \$1,000.

Sec. 366.261. STRATEGIC PLANS AND ANNUAL REPORTS. Requires an authority to make a strategic plan for its operations. Requires a majority of the commissioners courts of the counties composing the authority by concurrent resolution to determine the types of information required to be included in the strategic plan. Requires an authority to issue a plan covering the next five fiscal years, beginning with the next odd-numbered fiscal year, each even-numbered year. Requires an authority to file with each commissioners court of each county a written report containing certain information. Requires the board and the administrative head of an authority to appear before the commissioners court to present the report and receive questions and comments, at the invitation of a commissioners court of a county in the authority. Requires the authority to give notice to the commissioners court of each county of the authority by the 90th day before the date of the issuance of revenue bonds.

Sec. 366.262. MEETINGS BY TELEPHONE CONFERENCE CALL. Provides that Chapter 551, Government Code, does not prohibit any open or closed meeting of the board, a committee of the board, or the staff, or any combination of the board or staff, from being held by telephone conference call. Sets forth additional provisions regarding telephone conference calls.

#### SUBCHAPTER G. AID FOR REGIONAL TURNPIKE PROJECTS

Sec. 366.301. DEPARTMENT CONTRIBUTIONS TO TURNPIKE PROJECTS. Authorizes the department, to the extent permitted by the Texas Constitution, to agree with an authority to provide for or contribute to the payment of certain costs. Prohibits the agreement from being inconsistent with the rights of the bondholders or persons operating the turnpike project under a lease or other contract. Authorizes the department to use certain personnel to conduct feasibility studies under Subsection (a). Sets forth provisions regarding an obligation or expense incurred by the commission or department under this section and money spent from the state highway fund under this section. Authorizes the commission or department to use federal money for any purpose described by this chapter.

Sec. 366.302. AGREEMENTS TO CONSTRUCT, MAINTAIN, AND OPERATE TURNPIKE PROJECTS. Authorizes an authority to enter into an agreement with certain public or private entities, for the purposes of studying the feasibility of a turnpike project or system or to make certain changes to a turnpike project or system. Provides that an authority has broad discretion to negotiate provisions in a development agreement with a private entity. Sets forth issues to which provisions may relate. Prohibits an authority from incurring a financial obligation on behalf of a private entity that constructs, maintains, or operates a turnpike project or system. Provides that an authority or a county in an authority is not liable for any financial or other obligation of a turnpike project solely because a private entity constructs, finances, or operates any part of a turnpike project or system. Authorizes an authority to invest public and private money to finance a function described by this section.

Sec. 366.303. AGREEMENTS BETWEEN AUTHORITY AND LOCAL GOVERNMENTAL ENTITIES. Authorizes a local governmental entity to issue bonds or enter into and make payments under agreements with an authority to acquire, construct, maintain, or operate a turnpike project or system. Authorizes an entity to levy and collect taxes to pay the interest on bonds and to provide a sinking fund for the redemption of the bonds. Authorizes a local governmental entity to agree with an authority to issue bonds or enter into and make payments under an agreement to acquire, construct, maintain, or operate any portion of a turnpike project or system of that authority. Authorizes a governmental entity to pledge certain revenue and levy and collect taxes, to make payments on certain funds. Prohibits the term of an agreement under this section from exceeding 40 years. Provides that any election required to permit action under this subchapter is to be held in conformity with Chapter 1, Title 22, V.T.C.S., or any other applicable law.

Sec. 366.304. **ADDITIONAL AGREEMENTS OF AUTHORITY.** Authorizes an authority to enter into an agreement necessary or convenient to achieve the purposes of this subchapter.

**SECTION 7.25.** Amends Chapter 411F, Government Code, by adding Section 411.132, as follows:

Sec. 411.132. **ACCESS TO CRIMINAL HISTORY RECORD INFORMATION: REGIONAL TOLLWAY AUTHORITIES.** Provides that a regional tollway authority governed by Chapter 366, Transportation Code, is entitled to obtain from the department criminal history record information maintained by the department the pertains to a person who meets certain requirements. Prohibits criminal history record information obtained under Subsection (a) from being released or disclosed to any person, except in a criminal proceeding, in a hearing conducted by the regional tollway authority, on court order, or with the consent of the person who is the subject of the criminal history record information.

**SECTION 7.26.** (a) Provides that the North Texas Tollway Authority is established as a regional tollway authority under Chapter 366, Transportation Code.

(b) Sets forth counties which compose the North Texas Tollway Authority. Provides that the authority may extend to other counties.

(c) Provides that the initial board of directors of the North Texas Tollway Authority is composed of nine directors, notwithstanding Section 366.251, Transportation Code, as added by this Act.

(d)-(f) Sets forth terms of members appointed to the board.

(g) Requires the North Texas Tollway Authority to perform and fund a feasibility study for the construction of the Trinity Parkway in the southern part of Dallas County.

**SECTION 7.27.** Amends Section 365.013(b), Transportation Code, to prohibit a district from constructing a toll structure within two miles of the intersection of the toll road and a federal highway unless the toll structure is located in a county with a population of more than 2.1 million or a county adjacent to a county with a population of more than 2.1 million.

**SECTION 7.28.** Sets forth provisions regarding the selection of a route, if the department is authorized to construct an intermodal toll road inclusive of a freight rail that is to be part of the state highway system.

**SECTION 7.29.** Repealers: Sections 361.003, 361.038, 361.039, 361.040, 361.041, 361.044, 361.045, 361.047, 361.048, 361.139, 361.190 and, 361.284, Transportation Code (Sunset Provision; Employee Qualifications; Personnel Policies; Equal Employment Opportunities; Certain Contracts and Sales Prohibited; Suits Involving Authority; Expenses of Authority; Travel Expenses; Filing of Minutes, Budget, and Reports; Relocation Assistance Program; Expenses Incurred by Commission and; Eligibility of Turnpike Project to Become Part of State Highway System).

## **ARTICLE 8. TRANSITION, EFFECTIVE DATE, AND EMERGENCY**

**SECTION 8.01** (a) Abolishes the Texas Turnpike Authority, and the Texas Turnpike Authority division of the department is created on the effective date of this Act.

(b) Requires the North Texas Tollway Authority to succeed to all assets, rights, and other property of the Texas Turnpike Authority located in Collin, Dallas, Denton, or Tarrant County.

(c) Requires the North Texas Tollway Authority to assume and become liable for all duties and obligations of the Texas Turnpike Authority related to the assets, rights, and properties transferred under Subsection (b) of this section.

(d) Authorizes an employee of the TTA to elect to become an employee of either TTA

division of the department or the North Texas Tollway Authority on the effective date of this Act.

(e) Requires a rule that is not inconsistent with this Act to remain in effect as a rule or regulation of the North Texas Tollway Authority until superseded by action of that entity.

SECTION 8.02. Sets forth provisions relating to payments on property transferred to the North Texas Tollway Authority by the Texas Turnpike Authority division.

SECTION 8.03. Provides that North Texas Tollway Authority is a successor agency to the TTA under the Texas Constitution and that any agreement between the Texas Turnpike Authority and any federal, state, or local governmental entity relating to an asset, right, or obligation transferred to North Texas Tollway Authority is binding as a successor to the Texas Turnpike Authority.

SECTION 8.04. Makes application of this Act prospective.

SECTION 8.05. Sets forth provisions relating to the appointment of the board of directors of the TTA division by the governor, and the appointment of subsequent officers.

SECTION 8.06. Requires the department to remit to the comptroller of public accounts all money and funds received by the department as a result of the abolition of the TTA. Requires the comptroller of public accounts to deposit money received from the department under this section to the credit of a special account in the general revenue fund. Prohibits Subsection (a) of this section from applying to money or other funds transferred to the North Texas Tollway Authority.

SECTION 8.07. Effective date: September 1, 1997.

SECTION 8.08. Emergency clause.